

MAINE REVENUE SERVICES
INCOME/ESTATE TAX DIVISION
P.O. BOX 1062
AUGUSTA, ME 04332-1062

MAINE CORPORATE INCOME TAX

990012400

Federal EIN: _____

990012400

Schedule CB must be accompanied by a legible copy of the parent's Federal Consolidated Tax Return, pages 1, 2, 3 and 4 (or equivalent).

SCHEDULE CB
Page 1
FORM 1120ME

This schedule must be attached to your Form 1120ME

Line No.	Column 1 *Corporation Name and Operating Address (City and State)	Column 2 Federal Identification Number	Column 3 Does this corporation have Nexus with Maine?		Column 4 Corporation's Product or Service	Column 5 Check Appropriate Column (see below)				Column 6 Federal Taxable Income
			Yes	No		(a)	(b)	(c)	(d)	
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
10.										
11.										
12.										
13. Federal Taxable Income of Unitary Members (enter on Form 1120ME, page 1, line 1)										
14. Federal Consolidated Taxable Income shown on line 30, page 1, federal Form 1120										

* Please indicate if FSC or 936 corporation

Column 5(a) - Unitary Member of Federal Consolidated Group
Column 5(b) - Non-Unitary Member of Federal Consolidated Group

Column 5(c) - Non-Consolidated Unitary Member, Greater than 50% Ownership
Column 5(d) - Non-Consolidated, Non-Unitary Member, Greater than 50% Ownership



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990012500

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This section of Schedule CB must be completed by those corporations that are filing a single combined report for all members of a unitary group. See instructions on the reverse side of Schedule CB, pages 1 and 2.

SCHEDULE CB
Page 2
FORM 1120ME

This schedule must be attached to your Form 1120ME

Line No.	Column 7 State Modifications		Column 8		Column 9		Column 10	
	A. Subtractions	B. Additions	A. Sales in Maine	B. Sales Everywhere	A. Payroll in Maine	B. Payroll Everywhere	A. Property in Maine	B. Property Everywhere
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								
TOTALS 13.								

INSTRUCTIONS FOR SCHEDULE CB AND COMBINED REPORTING

(This schedule, when applicable, is required to be filed with Form 1120ME or Form 1120X-ME)

A. SCHEDULE CB:

Any taxable corporation with Maine nexus that is a member of an affiliated group, whether or not unitary as defined by Maine law, must complete Schedule CB. All members of the affiliated group must be listed, except those members that are not required to file a federal income tax return. In Column 6, Schedule CB, list federal taxable income for each member of the affiliated group from line 30, federal Form 1120 (from pro forma returns or from the consolidated income and expense summary). The total on line 13 is the federal taxable income of those affiliates that are unitary (those with a check mark in Column 5(a) or 5(c)).

B. COMBINED REPORTING:

A taxable corporation that is a member of an affiliated group and that is engaged in a unitary business must file a combined report and base its Maine net income on the federal taxable income of the unitary group. Corporations that are part of a unitary group but are not subject to federal income tax are to be excluded from the combined report.

“Affiliated group” means a group of two or more corporations in which more than 50% of the voting stock of each member corporation is directly or indirectly owned by a common owner or owners, either corporate or non-corporate, or by one or more of the member corporations (36 MRSA, §5102(1-B)). A “unitary business” is a business activity that is characterized by unity of ownership, functional integration, centralization of management and economies of scale (36 MRSA, §5102(10-A)).

All corporations required to file federal returns that are part of an affiliated unitary group are required to be included in the combined report of any taxable corporation with Maine nexus even though the affiliated corporation has no nexus with Maine, including any FSC corporations.

C. SPECIFIC INSTRUCTIONS - COMBINED REPORTING/SCHEDULE CB:

All members of the affiliated group are to be listed on Schedule CB, except those members who are not required to file a federal income tax return. The corporations listed that check Column 5(a) or 5(c) form the basis for the Maine corporate income tax return.

A single return may be filed on which the aggregate Maine income tax liability of the Maine nexus members of the unitary group is reported. In addition, a combined report shall be provided which includes, both in the aggregate and by corporation: federal taxable income; state modifications and; sales, payroll and property in Maine and everywhere. **Schedule CB, pages 1 and 2, must be completed and filed with Form 1120ME as part of this combined report.**

Line 13. Total the entries in Columns 6 through 10 for only those corporations that check Columns 5(a) or 5(c). Enter the results on line 13 and on the appropriate lines on Form 1120ME. Line 13, Column 7(A), must agree with line 2j of Form 1120ME and line 13, Column 7(B) must agree with line 4g of Form 1120ME. It is not necessary to provide detailed amounts for each corporation for the amounts entered on lines 2a, b, c, d, e, f, g, h and i and lines 4a, b, c, d, e and f of Form 1120ME. The amounts listed on line 13, Columns 8, 9 and 10 of Schedule CB must agree with those entered on lines 12, 13 and 14, Columns (A) and (B) of Schedule A, Form 1120ME.

SEE EXAMPLES ON NEXT PAGE

Example 1: Corporations X, Y and Z elect to file a federal consolidated Form 1120 as part of an affiliated group. Only X has nexus with Maine. X and Y are a unitary business; Z is unitary with neither X nor Y. Schedule CB would be completed as follows:

Column 1 Name	Column 3 Nexus?		Column 5*				Column 6 FTI
	Yes	No	(a)	(b)	(c)	(d)	
Corp X	x		x				\$100
Corp Y		x	x				\$110
Corp Z		x		x			\$140

13. FTI - Unitary	\$210
14. FTI - Consolidated	\$350

* Column 5:

- (a) Unitary member of federal consolidated group
- (b) Non-unitary member of federal consolidated group
- (c) Non-consolidated unitary member, greater than 50% ownership
- (d) Non-consolidated, non-unitary member, greater than 50% ownership

FTI - Federal Taxable Income

Example 2: Corporations X, Y and Z elect to file a federal consolidated Form 1120 as part of an affiliated group. X and Y are unitary and have nexus with Maine. Z does not have nexus with Maine, and is unitary with neither X nor Y. X and Y have losses. Schedule CB would be completed as follows:

Column 1 Name	Column 3 Nexus?		Column 5*				Column 6 FTI
	Yes	No	(a)	(b)	(c)	(d)	
Corp X	x		x				– \$80
Corp Y	x		x				– \$50
Corp Z		x		x			\$150

13. FTI - Unitary	– \$130
14. FTI - Consolidated	\$20

* Column 5:

- (a) Unitary member of federal consolidated group
- (b) Non-unitary member of federal consolidated group
- (c) Non-consolidated unitary member, greater than 50% ownership
- (d) Non-consolidated, non-unitary member, greater than 50% ownership

